

TERRENI

LAW FIRM, LLC

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November 23, 2020

Kyle Maurer, Sr., PhD, PE
Deputy Director
Water Operations
1401 Main Street, Suite 900
Columbia, South Carolina 29201

Re: Billing Statement Review – Condor Environmental, Inc.

Dear Kyle:

On behalf of Condor Environmental, Inc. (“Condor”), I am writing to respond to ORS’s Billing Statement Review of November 16, 2020.

1. Acadia Subdivision

ORS Question 1-1: Please provide a reconciliation of the charges contained on Invoice #4743 for the Acadia Subdivision to the rates approved by the Commission in Order No. 2012-824.

- a) **Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service are \$11.47/home and a total billed amount of \$1,560.**
- b) **If the monthly charges have changed from the Commission-approved rate, please provide the date(s) of the change(s) and the Commission Order number(s) authorizing the change.**
- c) **If Commission approval was not obtained for a change in rates, please explain why Commission approval of the change was not obtained.**
- d) **Please provide a copy of the notice(s) provided to Acadia Subdivision for any change in rates and charges.**

Condor’s rates for the Acadia subdivision are contained in the agreement dated October 19, 2005 between Condor, Acadia, LLC, and the Metropolitan Sewer Subdistrict (“Acadia Agreement”), which was approved by Order 2012-824 in Docket No. 2012-315-S.

Under the Acadia Agreement (see pp. 3-4), which has been assumed by Acadia’s HOA, Condor’s rates are:

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Phase 1

\$910 plus \$10 per additional homes/structures over 71. Phase 1 including amenities had 77 homes/structures as of May 2, 2020. So, the Phase I portion of the fee was \$960 [$\$910 + (5 \times \$10)$].*

* The Review Letter cites the Monthly Rate in the Application as \$1,000 for the first 70 homes. That was the Monthly Rate at the time of filing, but that amount was based on the number of homes (100) built in Phase I by the time of filing. The Application also referred to the initial Monthly Rate of \$910. App.¶ 8.

Phase 2

Additional \$400, plus \$10 per additional homes/ structures over 40. Phase 2 was at 60 homes/ structures as of May 2, 2020. So, the Phase II portion of the fee was \$600 [$\$400 + (20 \times \$10)$].

The Phase 1 Monthly Fee of \$960 + Phase 2 Monthly Fee of \$600 = \$1,560, for 137 homes.

The Acadia Agreement also allowed Condor to raise its Monthly Rate up to 10% per year, but Condor has not raised its Monthly Rate since the Application was approved. The bills have increased according to the buildout provisions described above.

2. Caledonia Subdivision.

ORS Question 2-1: Please provide a reconciliation of the charges contained on Invoice #4749 for the Caledonia Subdivision to the rates approved by the Commission in Order No. 2016-74.

- a) Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service are \$37.52/home and a total bill amount of \$7,033.70.**
- b) If the monthly charges have changed from the Commission-approved rate, please provide the date(s) of the change(s) and the Commission Order number(s) authorizing the change.**
- c) If Commission approval was not obtained for a change in rates, please explain why Commission approval of the change was not obtained.**
- d) Please provide a copy of the notice(s) provided to Caledonia Subdivision for any change in rates and charges.**

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Condor's rates for the Caledonia subdivision are contained in the agreement dated April 14, 2014 between Condor, Caledonia of the Upstate, LLC, Caledonia Homeowner's Association ("CHA"), Inc. and Easley Combined Utilities ("ECU") ("Caledonia Agreement"), which was approved by Order 2016-74, in Docket No. 2015-24-S.

Condor's Invoice no. 4749 erroneously listed the number of homes and the rates for the Rose Hill subdivision. However, the invoice was calculated on the approved rates:

Wastewater Treatment Fee (pass-through to ECU)	\$25.52
Condor Fee	\$12.50
<hr/>	
Monthly Fee per home	\$38.02
\$38.02 x. 185 homes =	\$7,033.70

The Wastewater Treatment Fee increased from \$23.00 to \$25.52 and Condor passed the increase on its rates as allowed under the Caledonia Agreement. Condor notified its customer, the HOA, of the increase, on February 12, 2020, but did not notify the Commission or ORS of the increase. On February 12, 2020, Condor also notified the HOA of an increase of \$0.50 in the Monthly Fee under the Agreement but did not notify the Commission or ORS of the increase. A copy of the notice is included as Exhibit A.

3. Country Place Subdivision

ORS Question 3-1: Please provide a reconciliation of the charges contained on Invoice #4752 for the Country Place Subdivision to the rates approved by the Commission in Order No. 2012-824.

- a) Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service are \$42.85/home for a total billed amount of \$300.00.
- b) If the monthly charges have changed from the Commission-approved rate, please provide the date(s) of the change(s) and the Commission Order number(s) authorizing the change.
- c) If Commission approval was not obtained for a change in rates, please explain why Commission approval of the change was not obtained.

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d) Please provide a copy of the notice(s) provided to Country Place Subdivision for any change in rates and charges.

Condor's rates for the Country Place subdivision are contained in the agreement dated June 26, 2006, between Condor and the Terry Creek Company, which has been assigned to the Country Place HOA ("CPHOA") ("Country Place Agreement"), which was approved by Order 2012-824, in Docket No. 2012-315-S.

The Agreement provides an annual fee of \$5,070. Country Place Agreement, p. 1. When the Country Place Agreement was signed, significantly more homes were expected in the subdivision. However, only 7 homes have been built, and Condor reduced its annual fee to \$3,600, which amounts to \$42.85 per home to relieve the burden on the homeowners. Condor did not request the Commission's approval to bill the reduced rate.

4. Fairview Chase Subdivision

ORS Question 4-1: Please provide a reconciliation of the charges contained on Invoice #4753 for the Fairview Chase Subdivision to the rates approved by the Commission in Order No. 2012-824.

- a) Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service are \$33.33/home for a total billed amount of \$300.00.**
- b) If the monthly charges have changed from the Commission-approved rate, please provide the date(s) of the change(s) and the Commission Order number(s) authorizing the change.**
- c) If Commission approval was not obtained for a change in rates, please explain why Commission approval of the change was not obtained.**
- d) Please provide a copy of the notice(s) provided to Fairview Chase Subdivision for any change in rates and charges.**

Condor's rates for the Fairview Chase subdivision are contained in the agreement dated February 17, 2007, between Condor and the Fairview Investments, LLC, which has been assigned to the Fairview Place HOA ("FPHOA") ("Fairview Chase Agreement"), which was approved by Order 2012-824, in Docket No. 2012-315-S.

The Agreement provides a Monthly Fee of \$825, or \$9,900 annually. Fairview Chase Agreement, p. 3. However, the subdivision did not grow as expected and Condor negotiated a reduced rate of \$300 per month with FPHOA. Condor did not request the Commission's approval

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to bill the reduced rate, but neither the Fairview Chase Agreement nor Order 2012-824 requires notice of a change in rates to the Commission or ORS.

5. Rose Hill Subdivision

ORS Question 5-1: Please provide a reconciliation of the charges contained on Invoice #4764 for the Rose Hill Subdivision to the rates approved by the Commission in Order No. 2012-659.

- a) **Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service are \$25.52/home, \$12.50/home Condor Fee, and a total billed amount of \$9,961.24.**
- b) **If the monthly charges have changed from the Commission-approved rate, please provide the date(s) of the change(s) and the Commission Order number(s) authorizing the change.**
- c) **If Commission approval was not obtained for a change in rates, please explain why Commission approval of the change was not obtained.**
- d) **Please provide a copy of the notice(s) provided to Rose Hill Subdivision for any change in rates and charges.**

Condor's rates for the Rose Hill subdivision are contained in the agreement executed in counterparts between September 30, 2005 and November 29, 2005 between Condor and, which has been assigned to the Rose Hill HOA ("RHHOA") ("Rose Hill Agreement"), which was approved by Order 2012-659, in Docket No. 2012-101-S.

The Rose Hill Agreement originally provided a "Monthly Fee" of \$30 per month. Rose Hill Agreement, p. 2. The Monthly Fee originally consisted of a wastewater treatment fee ("WW fee") of \$20.00 and a "Condor Fee" of \$10.00.

The WW Fee equals the amount charged by ECU for wastewater treatment. the Agreement allows Condor to increase its fees up to 10% per year after 90 days' notice to RHOA. The Rose Hill Agreement also allows Condor to pass-through increases in ECU's charges without markup. p. 3. ECU last increased its rates on February 12, 2020, to \$25.52 per month.

Notice of ECU's increase, and of an increase of the Condor Fee to \$12.50 was given RHOA on February 12, 2020. The Monthly Fee of \$38.02 took effect in April of 2020. Order No. 2012-659 did not require Condor to notify either ORS or the PSC or obtain the latter's approval for the increases.

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6. Thornblade Crossing

ORS Question 6-1: Please provide a reconciliation of the charges contained on Invoice #4767 for the Thornblade Crossing Subdivision to the rates approved by the Commission in Order No. 2012-824.

- a) Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service are \$11.79/home and a total billed amount of \$1,402.73.
- b) If the monthly charges have changed from the Commission-approved rate, please provide the date(s) of the change(s) and the Commission Order number(s) authorizing the change.
- c) If Commission approval was not obtained for a change in rates, please explain why Commission approval of the change was not obtained.
- d) Please provide a copy of the notice(s) provided to Thornblade Crossing Subdivision for any change in rates and charges.

Condor's rates for the Thornblade Crossing subdivision are contained in the agreement executed on December 16, 1999 between Condor and the Thornblade Crossing Homeowners Association, Inc., Metropolitan Sewer Subdistrict, and Pointsett Development, LLC, ("Thornblade Crossing Agreement"), which was approved by Order 2012-824, in Docket No. 2012-315-S.

The Thornblade Crossing Agreement originally provided a "Monthly Fee" of \$1,259.06 and was increased over the years to \$1444.00 per month when it was approved by the Commission. Rose Hill Agreement, p. 2. Condor billed \$1402.73 on Invoice no.4767, less than the approved amount. The discrepancy between the billed amount and the approved Monthly Fee resulted from a clerical error. However, neither the Thornblade Crossing Agreement nor Order 2012-824 require prior notice of a reduction in rates.

7. Other Billing Discrepancies

Additionally, each billing statement provided by Condor lists the number of units served, a per/unit rate, and a total amount billed. However, the total amount billed does not equal the number of units multiplied by the per/unit rate in several subdivisions. For example, the Cobblestone Cove subdivision lists 148 homes at \$14.68 per home, which equals \$2,172.64 when multiplied together. However, the total amount billed is \$2,173.00. The subdivisions where this discrepancy exists are:

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Acadia
Allison's Meadow
Ascot
Caledonia
Cobblestone Cove
Coleman Shoals
Country Place
Fairview Chase
GPS Center
High Grove Estates
Mountain Creek Landing
White Horse

ORS Question 7-1:

Please reconcile the differences in total amount billed, number of units served, and per/unit rate for the above subdivisions.

a) Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service for the above subdivisions

a) Acadia

Please see the explanation at no. 1 above. This is the rate billed in Invoice 4743. The illustrative "Per Home" figure of \$11.47 on the invoice is provided for the convenience of the Acadia HOA; the figure was rounded up to the nearest cent, the full cost per home (the eighth decimal point, for purposes of this letter) would be \$11.47058824. Rounding the Per Home Cost results in discrepancy of \$0.08 if one multiplies the number of homes (136) by the Per Home Cost of \$11.47, resulting in \$1,559.92 per month.

b) Allison's Meadow

Condor's rates for the Allison's Meadow subdivision are contained in the agreement entered into on July 14, 2004 between Condor, the Allison's Meadow Community Association ("AMCA"), Lennar Communities of Carolina, Inc, and the Metropolitan Sewer Subdistrict ("Allison's Meadow Agreement"), which was approved by Order 2012-824 in Docket No. 2012-315-S.

The Allison's Meadow Agreement provides a Monthly Fee of \$1,020 Agreement, p. 2. Condor has not changed the fee, as reflected on Invoice 4745. The illustrative "Per Home" figure of \$16.72 on the invoice is provided for the convenience of the AMCA; the figure was rounded

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down to the nearest cent, the full cost per home would be 16.72131148. Rounding the per home cost results in discrepancy of (\$0.08) if one multiplies the number of homes (61) by the Per Home Cost of \$16.72 resulting in \$1,019.92 per month.

c) Ascot

Condor's rates for the Ascot subdivision were approved by the Commission in Order No. 2011-364 which allowed Condor to raise its Monthly Rate to the Ascot HOA to \$2030.56. This is the rate billed in Invoice 4747. The illustrative "Per Home" figure of \$15.62 on the invoice is provided for the convenience of the Ascot HOA; the figure was rounded up to the nearest cent, the full cost per home would be 15.61969231. Rounding the per home cost results in discrepancy of \$0.04 if one multiplies the number of homes (130) by the Per Home Cost of \$15.62, resulting in \$2,030.60 per month.

d) Caledonia

Please see no. 2 above. If the correct number of homes, 181 is used, there is no discrepancy.

e) Cobblestone Cove

Condor's rates for the Cobblestone Cove subdivision were approved by the Commission in Order No. 2012-824 which allowed Condor to raise its Monthly Rate to the Cobblestone Cove HOA to \$2,173. This the rate billed in Invoice 4750. The illustrative "Per Home" figure of \$14.68 on the invoice is provided for the convenience of the Cobblestone Cove HOA; the figure was rounded down to the nearest cent, and the full cost per home would be 14.68243243. Rounding the per home cost results in discrepancy of \$0.36 if one multiplies the number of homes (148) by the Per Home Cost of \$14.68, resulting in \$2,172.64 per month.

f) Coleman Shoals

Condor's rates for the Coleman Shoals subdivision were approved by the Commission in Order No. 2012-824 which allowed Condor to raise its Monthly Rate to the Coleman Shoals HOA to \$2,173 This is the rate billed in Invoice 4751. The illustrative "Per Home" figure of \$29.62 on the invoice is provided for the convenience of the Coleman Shoals HOA; the figure was rounded down to the nearest cent, the full cost per home would be 14.68243243. Rounding the per home cost results in discrepancy of (\$0.36), if one multiplies the number of homes (148) by the Per Home Cost of \$14.68, resulting in \$2,172.64 per month.

g) Country Place

As explained in no. 3 above, Condor reduced its rate for Country Place to \$300 per month. This is the rate billed in Invoice 4752. The illustrative "Per Home" figure of \$42.85 on the invoice is provided for the convenience of the Country Place HOA; the figure was rounded down to the

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nearest cent, the full cost per home would be 42.85714286 . Rounding the per home cost results in discrepancy of (\$0.05), if one multiplies the number of homes (7) by the Per Home Cost of \$42.85, resulting in \$299.95 per month.

h) Fairview Chase

As explained in no. 4 above, Condor reduced its rate for Fairview Chase to \$300 per month. This is the rate billed in Invoice 4753. The illustrative “Per Home” figure of \$33.33 on the invoice is provided for the convenience of the customer; the figure was rounded down to the nearest cent, the full cost per home would be \$33.33333333. Rounding the per home cost results in discrepancy of (\$0.03), if one multiplies the number of homes (9) by the Per Home Cost of 33.33, resulting in \$299.97 per month.

i) GPS Center

Condor’s rates for the GPS Center were approved by the Commission in Order No. 2012-824 which allowed Condor to raise its Monthly Rate to the GPS Center HOA to \$998.25. This is the rate billed in Invoice 4754. The illustrative “Per Unit” figure of \$83.19 on the invoice is provided for the convenience of the customer, the figure was rounded down to the nearest cent, the full cost Per Unit would be \$83.1875. Rounding down the Per Unit cost results in discrepancy of \$0.03, if one multiplies the number of units (12) by the Per Unit Cost of \$83.19, resulting in 998.28 per month.

j) High Grove Estates

Condor’s rates for High Grove Estates were approved by the Commission in Order No. 2012-824 which allowed Condor to raise its Monthly Rate to the High Grove POA to \$3,045. This is the rate billed in Invoice 4757. The illustrative “Per Home” figure of \$16.28 on the invoice is provided for the convenience of the customer, the figure was rounded down to the nearest cent, the full cost Per Unit would be \$ 16.28342246. Rounding down the Per Unit cost results in discrepancy of (\$0.64), if one multiplies the number of units (187) by the Per Home Cost of \$16.28, resulting in \$3,044.36 per month.

k) Mountain Creek Landing

Condor’s rates for the Mountain Creek Landing subdivision are contained in the agreement entered into on July 13, 2006 between Condor, Pinckney Construction, Inc. (“Mountain Creek Landing Agreement”), which was approved by Order 2012-824 in Docket No. 2012-315-S.

The Agreement provides a yearly fee of \$2,340 (\$195 per month) Agreement, p.1. The illustrative “Per Home” figure of \$8.47 on the invoice is provided for the convenience of the customer; the figure was rounded down to the nearest cent, the full cost per home would be

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\$8.47826087. Rounding the per home cost results in discrepancy of (\$0.19) if one multiplies the number of homes (23) by the Per Home Cost of \$8.47 resulting in \$194.81 per month.

l) White Horse

Condor's rates for the White Horse Industrial Park are contained in the agreement entered into on March 8, 2005, between Condor, WWW.WHITEHORSEROAD, LLC, Hilton Resources, LLC, White Horse Road Professional Park POA, Inc. and the Berea Public Service District. ("White Horse Road Agreement"), which was approved by Order 2012-824 in Docket No. 2012-315-S.

The Agreement provides a Monthly Fee of \$1,000. White Horse Agreement, p. 3. The illustrative "Per Unit" figure of \$66.67 Per Unit on the invoice is provided for the convenience of the customer; the figure was rounded up to the nearest cent, the full cost per home would be \$66.66666667. Rounding the Per Unit cost results in discrepancy of (\$0.05) if one multiplies the number of units (15) by the Per Unit cost of \$66.67 resulting in \$1,000.05 per month.

ORS Question 7-2:

a) Please provide a September 2020 billing statement for Five Forks Plantation. A rate was approved for Five Forks Plantation by the Commission in Order No. 2012-824.

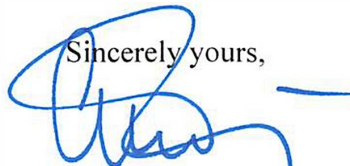
b) If Condor does not provide sewer service to Five Forks Plantation, please explain why service is no longer provided to customers and provide the date when Condor stopped serving the customers in Five Forks Plantation.

Condor ceased to provide service to Five Forks Planation in 2019 after the pump station was decommissioned.

Please let me know if we can provide you with additional information.

With best wishes, I am,

Sincerely yours,



Charles L.A. Terreni

Enclosures: (1)

c: Mr. Brad Weaver

EXHIBIT A



CONDOR ENVIRONMENTAL

February 12, 2020

Carriage Hill Subdivision
Rose Hill Subdivision
Caledonia Subdivision

RE: Carriage Hill Sewer Fee/Rose Hill Sewer Fee/Caledonia Sewer Fee

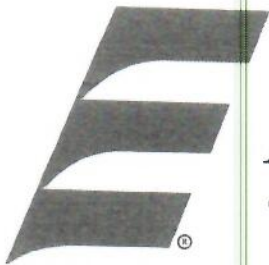
Dear HOA,

Please allow this correspondence to serve as notice that Condor Environmental, Inc has increased the fee for the sewer service lines at the above referenced subdivision to \$12.50 per month per house. . In addition, Easley Combined Utilities has increased their treatment fee to \$25.52 per month per house. The total amount billed per home per month will be \$38.02. This charge will be assessed to all services beginning April 2020.

If you have any questions, please feel free to contact me.

Sincerely,

Jason D Weaver
Condor Environmental, Inc.



EASLEY COMBINED UTILITIES

A Community Tradition

February 12, 2020

Mr. Brad Weaver
Condor Environmental
PO Box 462
Greer SC 29652

Re: Rose Hill, Caledonia, and Carriage Hill Subdivision Sewer Fee

Dear Brad:

Please accept this as notice that Easley Combined Utilities has increased the fee for treatment services to the above referenced subdivisions to \$25.52 per month per house. This fee goes into effect for all service rendered on or after April 2, 2020.

If you have any questions please let me know.

Sincerely,

Joel D. Ledbetter
General Manager